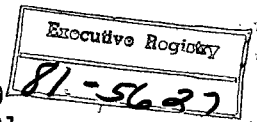



DCI/ICS-81-0049
18 November 1981

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence

FROM: 
Director, Intelligence Community Staff

SUBJECT: Items for Cabinet Meeting, 19 November 1981

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1. The first item on the agenda is "Agency Operations in the Absence of Appropriations." I attended a meeting on the subject this morning with Glenn Schleede of OMB.

2. The relevant documents are attached--a memo from Stockman and an opinion from former Attorney General Civiletti. The opinion was reaffirmed this week by Justice.

3. The basic point made at the meeting was that each agency is to determine what activities are "excepted" under the Stockman memo and may, therefore, continue. I believe we can argue that CIA and the Intelligence Community "Provide for the national security...." and are therefore excepted. If that is so, then activities can continue.


4. In past years, there has been a lot of fiddling around with moratoria on travel and similar activities. The sense of the meeting seemed to me to be much more permissive on such activities than past policy. Schleede made the point that the Administration will support retroactive obligation for pay.

5. I recommend that we not sign any major contracts during the hiatus, but that we argue that other activities must continue and are permitted by the Stockman memo.

6. On the second item--the FY83-84 budget planning process--David Stockman will make a presentation on the procedures that the Administration will follow during the next six weeks when President Reagan makes final decisions on the budget that will be submitted to Congress in January. Among other things, Stockman will describe how the Review Board composed of Meese, Baker, and Stockman will operate. No papers are available for this portion of the Cabinet meeting, but you might want to glance again at President Reagan's memorandum to Heads of Departments and Agencies (attached). According to the office in OMB that is preparing Stockman's script, if there is any discussion following the presentation, it will be very general.

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Attachments:

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- (1) Stockman's Memo w/Civiletti Opinion Paper
 - (2) President Reagan's Memo